
1998
HCFA
Statistics



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U.S. DEPARTMENT OF
HEALTH AND HUMAN SERVICES

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Preface

This reference booklet provides significant summary information about health expenditures and Health Care Financing Administration (HCFA) programs. The information presented was the most current available at the time of publication. Significant time lags may occur between the end of a data year and aggregation of data for that year.

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Highlights

Growth in HCFA programs and health expenditures

Populations

- Persons enrolled for Medicare coverage increased from 19.5 million in 1967 to a projected 39.2 million in 1998, a 101 percent increase.
- Medicaid recipients increased from about 10 million in calendar year 1967 to a projected 36.7 million in fiscal year 1998, an increase of 267 percent. Dependent children rose from 9.8 million in 1985 to 17.1 million in 1998, an increase of 74.5 percent.
- Medicaid recipients as a percent of the total civilian population have risen from 10.2 percent in 1990 to 13.2 percent in 1997, an increase of over 29 percent.
- Medicare enrollees with end-stage renal disease increased from over 66,700 in 1980 to over 233,000 in 1997, an increase of 249 percent.
- Medicare State buy-ins have grown from about 2.9

million recipients in 1975 to nearly 5.1 million recipients in 1997, an increase of over 76 percent.

- The number of dually entitled persons (that is, persons covered by both Medicare and Medicaid) amounted to nearly 6 million persons for 1997.

Providers/Suppliers

- The number of inpatient hospital facilities decreased from 6,707 in December 1975 to 6,293 in December 1997. Total inpatient hospital beds have dropped from 51.5 beds per 1,000 enrolled in 1975 to 27.0 in 1998, a decrease of nearly 48 percent.
- The total number of Medicare certified beds in short-stay hospitals showed a steady increase from less than 800,000 at the beginning of the program and peaked at 1,025,000 in 1984-86. Since that time, the number has dropped to slightly more than 910,000.
- The number of psychiatric hospitals grew to about 400 by 1976, where it remained until the start of the prospective payment system (PPS) in 1983. Since that time, the number has grown to 654.
- The number of skilled nursing facilities (SNFs) increased rapidly during the 1960s, decreased during the first half of the 1970s, and has been increasing ever since, reaching 14,860 by the beginning of 1998, an increase of 4.8 percent since 1997.
- After peaking in December 1970, the number of home health agencies (HHAs) remained stable during most of the decade. The number of HHAs accelerated with the passage of the Omnibus Budget

Reconciliation Act of 1980, which permitted the certification of proprietary HHAs in States not having licensure laws. By December 1986, there were almost 6,000 participating facilities. Between December 1997 and 1998, the number of HHAs has grown from 8,437 to 10,807, an increase of 28.1 percent.

Expenditures

- National health expenditures were \$57.9 billion in 1980, 9.8 percent of the gross national product. By 1997, total HCFA program outlays were \$285.6 billion, 17.8 percent of the Federal budget.
- Medicare skilled nursing facility benefit payments have increased from \$10.6 billion in 1996 to 12.3 billion in 1997, an increase of 16.0 percent.
- Medicare home health agency benefit payments have grown significantly from \$16.9 billion in FY 1996 to \$17.6 billion in FY 1997, an increase of 4.1 percent.
- Medicare hospice expenditures have grown from \$2.0 billion in FY 1996 to nearly \$2.1 billion in FY 1997, an increase of 5.0 percent.
- National health expenditures per person were \$247 in 1967 and grew steadily to reach \$3,759 by 1996.

Utilization of Medicare and Medicaid services

- Between 1990 and 1997, the number of short-stay hospital discharges increased from 10.5 million to 11.8 million, an increase of nearly 12.4 percent.

- The short-stay hospital average length of stay decreased significantly from 9.0 days in 1990 to 6.4 days in 1997, a decrease of nearly 29 percent. Likewise, the average length of stay for excluded units decreased significantly from 19.5 days in 1990 to 13.4 days in 1997, a decrease of over 31 percent.
- Over 63 million persons are projected to receive services paid by Medicare or Medicaid in fiscal year 1998.
- One out of five, or more than 11.5 million persons, will use inpatient hospital services covered by Medicare or Medicaid during 1998. The ratio of Medicare aged users of any type of covered service has grown from 367 per 1,000 enrolled in 1967 to 901 per 1,000 enrolled in 1997.
- Nearly 74 percent of Medicare enrollees and Medicaid recipients, or about 49.0 million persons, are projected to receive reimbursable physician services under Medicare or Medicaid during 1998.
- About 30 million persons are projected to receive reimbursable outpatient hospital services under Medicare or Medicaid during 1997.
- Over 1.4 million persons are projected to receive care in SNFs covered by Medicare during 1998.
- Over 1.6 million persons are projected to receive care in nursing facilities, which include SNFs and all other intermediate care facilities other than mentally retarded, covered by Medicaid during 1998.
- Nearly 21 million persons are projected to receive prescribed drugs under Medicaid during 1998.

Populations

Information about persons covered by Medicare or Medicaid

For Medicare, statistics are based on persons enrolled for coverage. For Medicaid, recipient counts are used as a surrogate of persons eligible for coverage, as well as for persons utilizing services. Statistics are available by major program categories, by demographic and geographic variables, and as proportions of the U.S. population. Utilization data organized by persons served may be found in the Utilization section.

Table 1
Medicare enrollment/trends

	Total persons	Aged persons	Disabled persons
July		In millions	
1966	19.1	19.1	--
1970	20.5	20.5	--
1975	25.0	22.8	2.2
1980	28.5	25.5	3.0
1985	31.1	28.2	2.9
1990	34.2	30.9	3.3
1993	36.3	32.4	3.8
1995	37.5	33.1	4.4
1997	38.4	33.6	4.8
1998 ¹	39.2	34.0	5.2
1999 ¹	39.6	34.2	5.4
2000 ¹	40.0	34.4	5.6

¹Data for 1966-1997 are as of July. Data for 1998-2000 represent ever enrolled estimates.

NOTE: Numbers may not add to totals because of rounding.

SOURCES: Health Care Financing Administration, Office of Information Services: Data from the Division of Information Distribution and the Actuarial and Health Cost Analysis Group: Data from the Division of Medicare and Medicaid Cost Estimates.

Table 2
Medicare enrollment/coverage

	HI and/or SMI	HI	SMI	HI and SMI	HI only	SMI only
				In millions		
All persons	38.4	38.1	36.5	36.1	2.0	0.4
Aged persons	33.6	33.2	32.2	31.8	1.5	0.4
Disabled persons	4.8	4.8	4.3	4.2	0.5	(¹)

¹Number less than 500.

NOTE: Data as of July 1, 1997.

SOURCE: Health Care Financing Administration, Office of Information Services: Data from the Division of Information Distribution.

Table 3
Medicare enrollment/demographics

	Total	Male	Female
	In thousands		
All persons	38,455	16,497	21,958
Aged	33,608	13,694	19,914
65-74 years	17,916	8,035	9,881
75-84 years	11,619	4,521	7,098
85 years and over	4,073	1,138	2,935
Disabled	4,846	2,803	2,043
Under 45 years	1,610	967	643
45-54 years	1,388	804	584
55-64 years	1,848	1,032	816
White	32,709	14,005	18,704
Black	3,486	1,475	2,011
All Other	2,065	942	1,123
Native American	58	29	29
Asian/Pacific	412	184	228
Hispanic	866	415	451
Other	728	314	414
Unknown Race	195	75	120

NOTES: Data as of December 31, 1997. Numbers may not add to totals because of rounding.

SOURCE: Health Care Financing Administration, Office of Information Services: Data from the Division of Information Distribution.

Table 4
Medicare enrollment/end stage renal disease trends

	HI and/or SMI	HI	SMI
Year			
1980	66,741	66,254	64,896
1990	172,078	170,629	163,708
1993	225,859	224,317	214,687
1994	234,771	233,133	224,667
1995	256,961	255,042	245,104
1996	224,564	224,543	214,019
1997	233,728	233,682	221,362

NOTE: Data as of July 1.

SOURCE: Health Care Financing Administration, Office of Information Services: Data from the Division of Information Distribution.

Table 5**Medicare enrollment/end stage renal disease demographics**

	Number of enrollees
All persons	233,728
Age	
Under 25 years	7,778
25-44 years	47,404
45-64 years	87,770
65 years and over	90,776
Sex	
Male	124,863
Female	108,865
Race	
White	122,303
Other	92,245
Unknown	19,180

NOTE: Data as of July 1, 1997.

SOURCE: Health Care Financing Administration, Office of Information Services: Data from the Division of Information Distribution.

Table 6
Medicare/managed care

	Number of Plans	Enrollees (in thousands)
Total prepaid	426	6,003
HCPPs/GPPPs ¹	44	373
TEFRA risk	322	5,328
Cost basis	35	208
Demonstrations	25	94
Percent of total Medicare beneficiaries		15.6

¹Health care prepayment plans/group practice prepayment plans.

NOTES: Data as of January 1998. Numbers may not add to totals because of rounding.

SOURCE: Health Care Financing Administration, Center for Health Plans and Providers: Data from the Division of Health Plan and Provider Data.

Table 7
Medicare enrollment/HCFR region

	Resident ¹ population	Medicare ² enrollees	Enrollees as percent of population
In thousands			
All regions	267,636	37,633	14.1
Boston	13,379	1,958	14.6
New York	26,190	3,834	14.6
Philadelphia	26,925	4,069	15.1
Atlanta	49,651	7,675	15.5
Chicago	48,576	6,919	14.2
Dallas	31,361	3,905	12.5
Kansas City	12,506	1,960	15.7
Denver	8,690	1,054	12.1
San Francisco	39,687	4,744	12.0
Seattle	10,672	1,379	12.9

¹Estimated July 1, 1997 resident population.

²Medicare enrollment data are as of July 1, 1997.

NOTES: Resident population is a provisional estimate. The 1997 resident population data for Outlying Areas, Puerto Rico, and the Virgin Islands are not available.

SOURCES: Health Care Financing Administration, Office of Information Services: Data from the Division Information Distribution. U.S. Bureau of the Census, Population Division, Population Estimates Branch.

Table 8
Aged population/projected

	1998	2000	2025	2050	2075	2100
In millions						
65 years and over	34.9	35.3	60.7	75.3	85.8	93.2
75 years and over	16.1	16.7	24.9	39.7	46.8	52.1
85 years and over	4.2	4.4	6.2	14.5	16.8	20.4

SOURCE: Social Security Administration, Office of Programs: Data from the Office of the Actuary.

Table 9
Life expectancy at age 65/trends

	Male	Female
Year	In years	
1965	12.9	16.3
1980	14.0	18.4
1985	14.4	18.6
1990	15.0	19.0
1995	15.3	19.0
1996 ¹	15.8	19.1
1997 ¹	15.6	19.2
1998 ²	15.7	19.2
1999 ²	15.7	19.3
2000 ²	15.8	19.3
2005 ²	16.1	19.4
2010 ²	16.3	19.5

¹Preliminary.

²Estimated.

SOURCE: Social Security Administration, Office of Programs: Data from the Office of the Actuary.

Table 10
Life Expectancy at Birth and at Age 65 by Race/trends

Calendar Year	All Races	White	Black
<u>At Birth</u>			
1950	68.2	69.1	60.7
1980	73.7	74.4	68.1
1985	74.7	75.3	69.3
1990	75.4	76.1	69.1
1996	76.1	76.8	70.2
<u>At Age 65</u>			
1950	13.9	NA	13.9
1980	16.4	16.5	15.1
1985	16.7	16.8	15.2
1990	17.2	17.3	15.4
1996	17.5	17.6	15.8

SOURCE: Public Health Service, Health United States, 1998.

Table 11
Medicaid recipients/trends

	Fiscal year					
	1975	1980	1985	1995	1998	1999
	In millions					
Total	22.0	21.6	21.8	36.3	36.7	37.5
Age 65 years and over	3.6	3.4	3.1	4.2	4.6	4.7
Blind/Disabled	2.5	2.9	3.0	6.0	6.8	7.0
Dependent children						
under 21 years of age	9.6	9.3	9.8	17.6	17.1	17.5
Adults in families with						
dependent children	4.5	4.9	5.5	7.8	7.5	7.6
Other Title XIX	1.8	1.5	1.2	0.6	0.7	0.7

NOTES: Prior to 1991, recipient categories do not add to total because recipients could be reported in more than one category. Aged and Blind/Disabled eligibility groups include Qualified Medicare Beneficiaries and Specific Low-Income Medicare Beneficiaries. Children and Adult groups include both AFDC/TANF and poverty level recipients who are not disabled. Data for fiscal years 1975-1995 are historical data from OIS as reported by States. Projections for fiscal years 1998-1999 were prepared by OACT from the President's FY 1999 budget. FY 1998-1999 do not include the Childrens Health Insurance Program. These estimates may differ from those based on Medicaid person-years of enrollment.

SOURCES: Health Care Financing Administration, Office of Information Services: Data from the Division of Information Distribution and the Office of Strategic Planning: Actuarial and Health Cost Analysis Group: Data from the Division of Medicare and Medicaid Cost Estimates.

Table 12
Medicaid recipients/State buy-ins for Medicare

	1975 ¹	1980	1996	1997
Type of Beneficiary ¹	In thousands			
All buy-ins	2,846	2,954	5,001	5,089
Aged	2,483	2,449	3,404	3,445
Disabled	363	504	1,597	1,644
	Percent of SMI enrollees			
All buy-ins	12.0	10.9	13.8	14.1
Aged	11.4	10.0	10.6	10.8
Disabled	18.7	18.9	38.4	39.0

¹Beneficiaries in person-years for whom the State paid the SMI premium during the year. Percent calculated using July enrollment.

NOTE: Numbers may not add to totals because of rounding.

SOURCE: Health Care Financing Administration, Office of Information Services: Data from the Division of Information Distribution.

Table 13
Medicaid recipients/demographics

	Fiscal year 1997	
	Medicaid recipients	Percent distribution
	In millions	
Total recipients	33.6	100.0
Age	33.6	100.0
Under 21	17.4	51.8
21-64 years	10.6	31.5
65 years and over	4.6	13.6
Unknown	1.0	3.1
Sex	33.6	100.0
Male	12.6	37.5
Female	20.0	59.4
Unknown	1.0	3.1
Race	33.6	100.0
White	15.5	46.1
Black	8.2	24.4
American Indian/Alaska Native	3.2	9.6
Asian/Pacific Islander	0.7	2.0
Hispanic	5.0	14.8
Unknown	1.0	3.1

NOTE: Numbers may not add to totals because of rounding. The percent distribution is based on rounded numbers. Totals do not necessarily equal the sum of rounded components. These estimates may differ from those based on Medicaid person years of enrollment.

SOURCE: Health Care Financing Administration, Center for Medicaid and State Operations: Data from the Division of Information Analysis and Technical Assistance.

Table 14
Medicaid recipients/HCFA region

	Resident ¹ population	Medicaid ² recipients	Recipients as percent of population
In thousands			
All regions	267,636	35,210	13.2
Boston	13,379	1,542	11.5
New York	26,190	3,995	15.3
Philadelphia	26,925	2,810	10.4
Atlanta	49,651	7,563	15.2
Chicago	48,576	5,587	11.5
Dallas	31,361	4,389	14.0
Kansas City	12,506	1,386	11.1
Denver	8,690	713	8.2
San Francisco	39,687	5,785	14.6
Seattle	10,672	1,259	11.8

¹Estimated July 1, 1997 population.

²Medicaid recipient data are as of fiscal year 1997.

NOTES: Numbers may not add to totals because of rounding. Resident population is a provisional estimate. The 1997 resident population data for Outlying Areas, Puerto Rico, and the Virgin Islands are not available.

SOURCES: Health Care Financing Administration, Center for Medicaid and State Operations. Data from the Division of Information Analysis and Technical Assistance: U.S. Department of Commerce, Bureau of the Census.



Providers/Suppliers

Information about institutions, agencies, or professionals who provide health care services and individuals or organizations who furnish health care equipment or supplies

These data are distributed by major provider/supplier categories, by geographic region, and by type of program participation. Utilization data organized by type of provider/supplier may be found in the Utilization section.

Table 15
Inpatient hospitals/trends

	1975	1980	1996	1997
Total hospitals	6,707	6,777	6,273	6,293
Beds in thousands	1,132	1,150	1,038	1,037
Beds per 1,000 enrollees ¹	51.5	46.7	31.6	27.0
Short-stay	6,084	6,104	5,185	5,165
Beds in thousands	884	991	912	910
Beds per 1,000 enrollees ¹	40.2	40.2	27.8	23.9
Psychiatric	358	408	646	654
Beds in thousands	207	131	83	83
Beds per 1,000 enrollees ¹	9.4	5.3	2.5	2.2
Other long-stay	265	265	442	474
Beds in thousands	42	28	44	45
Beds per 1,000 enrollees ¹	1.9	1.1	1.3	1.2

¹Based on number of aged HI enrollees.

NOTES: Facility data as of July 1, except 1997 data which are as of December 1997. Facilities certified for Medicare are deemed to meet Medicaid standards.

SOURCES: Health Care Financing Administration, Office of Information Services: Data from the Division of Information Distribution. Office of Strategic Planning: Data from the Division of Systems, Technical, and Analytical Resources Group.

Table 16
Medicare assigned claims/HCFR region

	Net assignment rates		
	1980	1996	1997
All regions	51.5	95.9	96.7
Boston	67.4	98.4	98.6
New York	51.8	96.0	96.9
Philadelphia	61.6	96.4	97.1
Atlanta	52.3	96.5	97.1
Chicago	47.6	96.1	96.9
Dallas	50.3	95.4	96.5
Kansas City	40.4	94.1	95.7
Denver	39.5	92.3	94.7
San Francisco	53.2	96.3	97.4
Seattle	31.3	90.7	90.7

NOTE: Calendar year data.

SOURCE: Health Care Financing Administration, Office of Financial Management: Data from the Division of Financial Operations.

Table 17
Medicare Hospital Status

Total hospitals	6,190
Hospitals under PPS	5,032
Hospitals receiving special consideration:	1,134
Regional referral centers ¹	145
Sole community hospitals	637
Medicare dependent hospitals	352
Non-PPS hospitals	1,158
Categorically exempt:	1,099
Psychiatric	612
Rehabilitation	197
Christian science	20
Childrens	70
Other long-term	200
Short-stay hospitals in waiver State (Maryland)	50
Cancer hospitals	9
Total excluded units	2,404
Psychiatric	1,512
Rehabilitation	892

¹Certain centers no longer meet the necessary criteria established for RRCs.

NOTE: Data as of May.

SOURCES: Health Care Financing Administration, Office of Information Services; Data from the Division of Information Distribution; and the Center for Health Plans and Providers: Data from the Division of Acute Care.

Table 18
Long-term facilities/HCF region

	Title XVIII and XVIII/XIX SNFs ¹	Nursing Facilities	IMRs ²
All regions	14,860	2,953	7,383
Boston	1,110	103	241
New York	945	69	884
Philadelphia	1,380	170	479
Atlanta	2,572	216	743
Chicago	3,175	728	2,215
Dallas	1,825	757	1,488
Kansas City	1,184	645	194
Denver	593	87	101
San Francisco	1,564	131	956
Seattle	512	47	82

¹Skilled nursing facilities.

²Institutions for mentally retarded.

NOTE: Data as of December 1997.

SOURCE: Health Care Financing Administration, Center for Health Plans and Provider Purchasing Policy Group: Data from the Division of Acute Care.

Table 19
Other Medicare providers and suppliers/trends

	1975	1980	1996	1997
Home health agencies	2,242	2,924	8,437	10,807
Clinical Lab Improvement Act Facilities	-	-	159,907	164,054
End stage renal disease facilities	-	999	2,876	3,367
Outpatient physical therapy	117	419	2,302	2,758
Portable X-ray	132	216	555	656
Rural health clinics	-	391	2,775	3,673
Comprehensive outpatient rehabilitation facilities	-	-	307	531
Ambulatory surgical centers	-	-	2,112	2,480
Hospices	-	-	1,927	2,344

NOTES: Facility data for selected years 1975-1990 are as of July 1. Facility data for 1997 are as of December.

SOURCE: Health Care Financing Administration, Center for Health Plans and Provider Purchasing Policy Group: Data from the Division of Acute Care.

Table 20
Selected facilities/type of control

	Short-stay hospitals	Skilled nursing facilities	Home health agencies
Total facilities	5,165	14,860	10,807
	Percent of total		
Non-profit	58.3	28.1	28.9
Proprietary	13.2	66.3	58.2
Government	28.5	5.6	12.9

NOTES: Data as of December 1997. Facilities certified for Medicare are deemed to meet Medicaid standards. Percent distribution may not add to 100 percent due to rounding.

SOURCES: Health Care Financing Administration, Office of Strategic Planning:: Data from the Systems, Technical and Analytical Resources Group. Center for Health Plans. Plan and Provider Purchasing Policy Group: Data from the Division of Acute Care.

Table 21
Periodic interim payment (PIP) facilities/trends

	1980	1985	1995	1996	1997
Hospitals					
Number of PIP	2,276	3,242	1,221	1,134	1,029
Percent of total participating	33.8	48.3	19.2	18.0	16.4
Skilled nursing facilities					
Number of PIP	203	224	1,403	1,354	1,388
Percent of total participating	3.9	3.4	11.5	9.6	9.3
Home health agencies					
Number of PIP	481	931	1,601	1,515	1,366
Percent of total participating	16.0	16.0	17.4	15.6	12.6

NOTES: Data from 1985 to date are as of September; 1980 data are as of December. These are facilities receiving periodic interim payments (PIP) under Medicare. Effective for claims received on or after July 1, 1987, the Omnibus Budget Reconciliation Act of 1986 eliminates PIP for many PPS hospitals when the servicing intermediary meets specified processing time standards.

SOURCE: Health Care Financing Administration, Office of Financial Management: Data from the Division of Financial Data Analysis.

Table 22
Physicians active in patient care/trends

	1980		1985		1998	
	Number	Percent	Number	Percent	Number	Percent
Physicians	¹ 361,915	100.0	¹ 431,527	100.0	² 807,674	100.0
Specialties						
Medical	105,049	29.0	132,519	30.7	³ 167,996	20.8
Surgical	103,312	28.5	118,955	27.6	³ 155,881	19.3
Other	96,871	26.8	117,109	27.1	³ 380,415	47.1
General pract.	56,683	15.7	62,944	14.6	³ 103,382	12.8

¹Non-Federal physicians only. ²Includes physicians, doctors of osteopathy, and limited licensed practitioners. ³Totals by specialty category estimated.

NOTE: Totals do not necessarily equal the sum of rounded components.

SOURCES: For 1980 and 1985: American Medical Association: *Physician Characteristics and Distribution in the U.S.* Chicago: 1998 data are derived from the Health Care Financing Administration Unique Physician Identification Number Directory.

Table 23
Physicians/HCFR region

	Physicians active in patient care	Physicians per 100,000 population
All regions	¹ 807,674	302
Boston	53,435	399
New York	101,261	387
Philadelphia	96,779	359
Atlanta	124,855	251
Chicago	138,712	286
Dallas	80,324	256
Kansas City	35,812	286
Denver	25,724	296
San Francisco	115,015	290
Seattle	29,717	278

¹Non-Federal physicians only. Includes physicians, doctors of osteopathy, and limited licensed practitioners. Excludes physicians in foreign countries.

NOTES: Physicians as of September 1998. Civilian population as of July 1, 1997.

SOURCE: Health Care Financing Administration Unique Physician Identification Number Directory.

Table 24
Inpatient hospitals/HCFAs region

	Short-stay hospitals	Beds per 1,000 enrollees	Long-stay facilities	Beds per 1,000 enrollees
All regions	5,165	23.9	1,128	3.4
Boston	208	18.1	80	5.4
New York	366	25.6	79	5.0
Philadelphia	418	19.4	126	3.9
Atlanta	995	26.2	203	2.9
Chicago	920	27.1	170	2.8
Dallas	755	25.5	231	4.2
Kansas City	456	27.7	56	2.7
Denver	285	24.2	42	3.8
San Francisco	546	21.4	116	1.9
Seattle	216	18.1	25	2.2

NOTES: Data as of January 1998. Rates based on number of hospital insurance enrollees as of July 1, 1997.

SOURCE: Health Care Financing Administration, Office of Information Services: Data from the Division of Information Distribution.



Expenditures

Information about spending for health care services by Medicare, Medicaid, and in the Nation as a whole

Health care spending at the aggregate levels is distributed by source of funds, types of service, geographic area, and broad beneficiary or eligibility categories. Direct out-of-pocket, other private, and non-HCFA-related expenditures are also covered in this section. Expenditures on a per-unit-of-service level are covered in the Utilization section.

Table 25
HCFA and total Federal disbursements

	Fiscal year 1997 \$ in billions
Gross domestic product (current dollars)	\$7,971.3
Total Federal budget ¹	1,601.2
Percent of gross domestic product	20.1
Department of Health and Human Services ²	339.5
Percent of Federal budget	21.2
HCFA budget	
Medicare benefit payments	207.1
Medicaid medical assistance payments	91.2
HCFA program management	1.7
Medicaid State and local administration	4.3
Other Medicare administrative expenses	1.0
Peer review organizations	0.2
Health care fraud and abuse control	0.5
Total outlays (unadjusted)	306.0
Offsetting and proprietary receipts	-20.4
Total net of offsetting and proprietary receipts	285.6
Percent of Federal budget	17.8

¹Includes off-budget entities, net of offsetting receipts.

²Net of offsetting receipts.

NOTE: Numbers may not add to totals because of rounding.

SOURCE: Health Care Financing Administration, Office of Financial Management, Budget and Analysis Group.

Table 26
Program expenditures/trends

	Total	Medicare ¹ In billions	Medicaid ²
Fiscal year			
1980	\$60.8	\$35.0	\$25.8
1990	182.2	109.7	72.5
1997	377.0	210.4	166.6
1998 ³	390.1	213.6	176.5

¹Medicare amounts are gross outlays for benefits and administration.

²Medicaid amounts include both the Federal and State share of benefit payments, including vaccines for children, and administrative costs.

³Estimated.

SOURCE: Health Care Financing Administration, Office of Financial Management, Budget and Analysis Group.

Table 27
Benefit outlays by program

	1967	1968	1997	1998 ¹
Annually	Amounts in billions			
HCFA program outlays	\$5.1	\$8.4	\$368	\$384
Federal outlays	NA	6.7	298	310
Medicare	3.2	5.1	207	214
HI	2.5	3.7	136	131
SMI	0.7	1.4	71	83
Medicaid ^{2,3}	1.9	3.3	161	170
Federal share	NA	1.6	91	96
Monthly	In millions		In billions	
HCFA program outlays	\$423	\$702	\$31	\$32
Federal outlays	NA	561	25	26
Medicare	264	427	17	18
HI	209	311	11	11
SMI	55	116	6	7
Medicaid ^{2,3}	158	275	13	14
Federal share	NA	133	8	8
Hourly	In thousands		In millions	
HCFA program outlays	\$579	\$962	\$42	\$44
Federal outlays	NA	768	34	35
Medicare	362	585	24	24
HI	286	426	16	15
SMI	76	159	8	9
Medicaid ^{2,3}	217	377	18	19
Federal share	NA	183	10	11
By Minute	In thousands			
HCFA program outlays	\$10	\$16	\$701	\$731
Federal outlays	NA	13	568	590
Medicare	6	10	394	408
HI	5	7	259	250
SMI	1	3	135	158
Medicaid ^{2,3}	4	6	307	323
Federal share	NA	3	174	183

¹Estimated. ²These amounts reflect both Federal and State Medicaid benefit outlays. State Medicaid administrative costs are excluded. Expenditures for the vaccine for children's program are included. ³Excludes Children's Health Insurance Program, with outlays of \$379 million in FY 1998.

NOTES: Fiscal year data. Numbers may not add to totals because of rounding.

SOURCE: Health Care Financing Administration, Office of Financial Management. Budget and Analysis Group:

Table 28
Program benefit payments/HCFA region

	Medicare	Medicaid	
		Total payments computable for Federal funding	Net expenditures reported Federal share ¹
In millions			
All regions	\$207,123	\$160,280	\$90,768
Boston	12,447	10,705	5,581
New York	23,023	30,145	15,124
Philadelphia	22,758	15,556	8,343
Atlanta	43,104	26,263	16,883
Chicago	34,193	26,487	14,785
Dallas	24,017	15,968	10,843
Kansas City	9,037	6,078	3,670
Denver	4,759	3,365	2,069
San Francisco	27,078	20,003	10,340
Seattle	5,648	5,437	3,004

¹Excludes HCFA adjustments.

NOTES: Data as of fiscal year 1997 and are considered preliminary. Source Form HCFA-64 -- Line 11, Net Expenditures Reported. Medical assistance only. Territories are at capped levels.

SOURCES: Health Care Financing Administration, Office of Information Services; Division of Information Distribution; Office of Financial Management; Budget and Analysis Group. Center for Medicaid and State Operations.

Table 29
Medicare/trust fund projections

	Fiscal year		
	1997	1998	1999
In billions			
HI benefit payments ¹	\$136.0	\$131.2	\$132.1
Aged	120.0	115.1	115.4
Disabled	16.0	16.1	16.7
SMI benefit payments	71.1	83.1	96.4
Aged	60.3	71.6	83.4
Disabled	10.8	11.5	13.0

¹Current law data.

SOURCE: Health Care Financing Administration, Office of Financial Management; Budget and Analysis Group.

Table 30
Medicare/type of benefit

	Fiscal year 1997 benefit payments in millions ¹	*Percent distribution
Total HI ²	\$136,010	100.0
Inpatient hospital	88,959	65.4
Skilled nursing facility	12,321	9.1
Home health agency	17,589	12.9
Hospice	2,082	1.5
Managed care	15,059	11.1
Total SMI	71,114	100.0
Physician/other suppliers	42,065	59.2
Outpatient hospital	17,174	24.1
Home health agency	210	0.3
Group practice prepayment	9,911	13.9
Independent laboratory	1,754	2.5

¹Includes the effect of regulatory items and recent legislation but not proposed law.

²Excludes peer review organization expenditures.

NOTES: Numbers may not add to totals because of rounding. Benefits by type of service are estimated and subject to change.

SOURCE: Health Care Financing Administration, Budget and Analysis Group.

Table 31
National health care/trends

	Calendar year			
	1965	1980	1995	1996
National total in billions	\$41.1	\$247.2	\$991.4	\$1,035.1
Percent of GDP	5.7	8.9	13.6	13.6
Per capita amount	\$202	\$1,052	\$3,633	\$3,759
Source of funds	Percent of total			
Private	75.0	57.6	54.1	53.3
Public	25.0	42.4	45.9	46.7
Federal	11.7	29.1	33.2	33.9
State/local	13.3	13.3	12.8	12.8

NOTES: These data reflect Bureau of Economic Analysis Gross Domestic Product as of January 1998, and the Social Security Administration's revisions to the population as of July 1997. Numbers may not add to totals because of rounding.

SOURCE: Health Care Financing Administration, Office of the Actuary.

Table 32
Medicaid/type of service

	Fiscal year		
	1995	1996	1997
	In billions		
Total vendor payments	\$120.1	\$121.7	\$123.5
	Percent of total		
Inpatient services	24.0	22.4	25.1
General hospitals	21.9	20.7	23.1
Mental hospitals	2.1	1.7	2.0
Nursing facility services ¹	24.2	24.3	30.5
Intermediate care facility (MR) services ²	13.6	7.9	9.8
Physician services	6.1	5.9	7.0
Dental services	0.8	0.8	1.0
Other practitioner services	0.8	0.9	0.9
Outpatient hospital services	5.5	5.3	6.2
Clinic services	3.6	3.5	4.3
Laboratory and radiological services	1.0	1.0	1.0
Home health services	7.8	8.9	12.2
Prescribed drugs	8.1	8.8	11.9
Family planning services	0.4	0.4	0.4
Early and periodic screening	1.0	1.2	1.6
Rural health clinic services	0.2	0.2	0.3
Other care	7.7	8.4	11.0

¹Nursing facilities include: SNFs and all other categories for Intermediate Care Facilities (ICF), other than "MR". ²"MR" indicates mentally retarded.

SOURCE: Health Care Financing Administration, Center for Medicaid and State Operations, Data and Systems Group, Division of Information Analysis and technical Assistance.

Table 33
Medicare savings attributable to secondary payor provisions/type of provision

	Workers Comp.	Working Aged	ESRD	Auto	Disability	Total
1995	\$117.5	\$1,681.7	\$185.2	\$336.0	\$1,072.9	\$3,393.2
1996	104.8	1,576.8	169.9	385.1	1,034.1	3,270.7
1997	113.0	1,596.8	150.8	373.5	1,016.6	3,308.4

NOTES: Fiscal year data. In millions of dollars.

SOURCE: Health Care Financing Administration, Financial Services Group. Division of Accounting: Data from the MSP Operations Branch.

Table 34
Medicaid/payments by eligibility status

	Fiscal year 1997 vendor payments ¹	Percent distribution
	In millions	
Total	\$123,551	100.0
Age 65 years and over	37,721	30.5
Blind/disabled	54,129	43.8
Dependent children		
under 21 years of age	15,665	12.7
Adults in families with dependent children	12,298	10.0
Other Title XIX	3,736	3.0

Preliminary.

NOTE: Numbers may not add to totals due to the exclusion of unknowns and because of rounding.

SOURCE: Health Care Financing Administration, Center for Medicaid and State Operations, Data and Systems Group: Data from the Division of Information Analysis and Technical Assistance.

Table 35
Medicare/durable medical equipment¹

Category	Allowed Charges ²	
	1996	1997
	In thousands	
Total	\$4,846,337	\$4,975,664
Surgical dressings	66,855	60,670
Supplies/accessories	244,446	52,516
Capped rental	908,382	1,027,536
Customized items	114	48,053
Oxygen	1,851,288	2,044,556
Prosthetics/orthotics	771,514	926,149
Inexpensive/routine	314,363	584,123
Items with frequent maintenance	92,942	133,844
Other	596,435	98,217

Data are for calendar year.

The allowed charge is the Medicare approved payment reported on a line item on the physician/supplier claim.

SOURCE: Health Care Financing Administration, Office of Information Services: Data from the Division of Information Distribution.

Table 36
National health care/type of expenditure

	National total in billions	Per capita amount	Private as a percent of total	Public
Total	\$1,035.1	\$3,759	53.3	46.7
Health services and supplies	1,003.6	3,645	53.9	46.1
Personal health care	907.2	3,295	54.6	45.4
Hospital care	358.5	1,302	38.5	61.5
Physician services	202.1	734	67.1	32.9
Nursing home care	78.5	285	38.5	61.4
Other personal care	268.1	974	71.4	28.6
Admin. and gov. pub. health activities	96.4	350	47.4	52.6
Research and construction	31.5	114	35.3	64.7

NOTE: Data are as of calendar year 1996.

SOURCE: Health Care Financing Administration, Office of Strategic Planning: Data from Division of National Health Statistics.

Table 37
Personal health care/payment source

	Calendar year			
	1970	1980	1995	1996
	In billions			
Total	\$63.8	\$217.0	\$869.0	\$907.2
	Percent			
Total	100.0	100.0	100.0	100.0
Private funds	64.7	59.9	55.3	54.6
Private health insurance	23.2	28.6	30.5	32.2
Out-of-pocket	39.0	27.8	19.2	18.9
Other private	2.6	3.6	3.6	3.5
Public funds	35.3	40.1	44.7	45.4
Federal	23.0	29.2	34.7	35.6
State and local	12.2	10.9	10.0	9.8

NOTES: Excludes administrative expenses, research, construction, and other types of spending that are not directed at patient care.

SOURCE: Health Care Financing Administration, Office of Strategic Planning: Data from Division of National Health Statistics.

Utilization

**Information about the use of health
care services**

Utilization information is organized by persons receiving services and alternately by services rendered. Measures of health care usage include: persons served, units of service (e.g., discharges, days of care, etc.), and dimensions of the services rendered (e.g., average length of stay, charge per person or per unit of service). These utilization measures are aggregated by program coverage categories, provider characteristics, type of service, and demographic and geographic variables.

Table 38
Medicare/short-stay hospital utilization

	1990	1996	1997 ¹
Discharges			
Total in millions	10.5	11.7	11.8
Rate per 1,000 enrollees ²	313	312	314
Days of care			
Total in millions	94	78	75
Rate per 1,000 enrollees ²	2,805	2,074	2,014
Average length of stay			
All short-stay	9.0	6.7	6.4
Excluded units ³	19.5	14.0	13.4
Total charges per day	\$1,060	\$2,002	\$2,165

¹Data for fiscal year 1997 should be treated as preliminary.

²The population base is HI enrollment excluding HI enrollees residing in foreign countries.

³Includes alcohol/drug, psychiatric, and rehabilitation units.

SOURCE: Health Care Financing Administration, Office of Information Services: Data from the Division of Information Distribution.

Table 39
Medicare long-term care/trends

Calendar year	Skilled nursing facilities		Home health agencies	
	Persons served in thousands	Served per 1,000 enrollees	Persons served in thousands	Served per 1,000 enrollees
1982	252	9	1,172	40
1985	315	10	1,576	51
1990 ¹	638	19	1,978	58
1992	779	22	2,504	71
1993	908	25	2,867	80
1994	1,068	29	3,176	86
1995	1,240	33	3,457	93
1996	1,384	37	3,627	95

¹Increased utilization coincident with changes enacted under the Medicare Catastrophic Coverage Act of 1988.

SOURCE: Health Care Financing Administration, Office of Information Services: Data from the Division of Information Distribution.

Table 40
Medicare average length of stay/trends

	Fiscal year					
	1984	1990	1994	1995	1996	1997
All short-stay hospitals	9.1	9.0	7.6	7.1	6.6	6.4
PPS hospitals	8.0	8.9	7.3	7.1	6.6	6.4
Excluded units	18.0	19.5	15.9	14.8	14.0	13.4

NOTES: Fiscal year data. Average length of stay is shown in days. For all short-stay and PPS hospitals, 1984 data are based on a 20-percent sample of Medicare HI enrollees. Data for 1990 through 1997 are based on 100-percent MEDPAR. Data may differ from other sources or from the same source with a different update cycle.

SOURCE: Health Care Financing Administration, Office of Information Services: Data from the Division of Information Distribution.

Table 41
Medicare persons served/trends

	Calendar year					
	1967	1980	1985	1995	1996	
Aged persons served per 1,000 enrollees						
HI and/or SMI	--	367	638	722	826	816
HI		203	240	219	218	216
SMI		365	652	739	858	848
Disabled persons served per 1,000 enrollees						
HI and/or SMI	--	594	669	759	749	
HI	--	246	228	212	208	
SMI	--	634	715	837	828	

NOTES: Data for 1996 exclude beneficiaries in foreign countries. Utilization rates are based on persons receiving fee-for-service care and total persons enrolled (including members of prepaid health plans). Data for calendar year 1996 are as of December 1997. Excludes hospice.

SOURCE: Health Care Financing Administration, Office of Information Services: Data from the Division of Information Distribution.

Table 42
Medicare persons served/projections

		Fiscal year				
		1997	1998	1999	2000	2001
In millions						
HI						
Aged						
Enrollees		33.3	33.5	33.7	33.9	34.2
Persons served		7.2	6.4	6.0	5.8	5.8
Disabled						
Enrollees		4.9	5.1	5.3	5.6	5.8
Persons served		1.0	0.9	0.8	0.8	0.8
SMI						
Aged						
Enrollees		32.1	32.3	32.4	32.6	32.8
Persons served		28.2	28.7	29.1	29.4	29.8
Disabled						
Enrollees		4.2	4.4	4.5	4.6	4.7
Persons served		3.5	3.7	3.8	3.9	4.1

NOTES: Enrollment represents actuarial estimates of average monthly enrollment during the fiscal year. Persons served represents actuarial estimates of beneficiaries projected to meet the Part A or Part B deductible amount during the fiscal year.

SOURCE: Health Care Financing Administration, Office of the Actuary.

Table 43
Medicare persons served/HCFA region

	Aged persons served in thousands	Served per 1,000 enrollees	Disabled persons served in thousands	Served per 1,000 enrollees
All regions ¹	27,263	816	3,476	749
Boston	1,560	856	188	774
New York	3,104	825	392	713
Philadelphia	3,070	872	339	770
Atlanta	5,637	869	843	794
Chicago	5,375	883	623	773
Dallas	2,803	839	387	762
Kansas City	1,573	904	167	791
Denver	761	830	87	713
San Francisco	2,403	574	335	642
Seattle	886	731	105	695

Excludes residents of foreign countries.

NOTES: Data as of calendar year 1996 for persons served under HI and/or MI. Based on utilization for fee-for-service and excludes utilization under alternative payment systems such as health maintenance organizations. Numbers may not add to totals because of rounding.

SOURCE: Health Care Financing Administration, Office of Information Services: Data from the Division of Information Distribution.

Table 44
Medicare/end stage renal disease (ESRD)

	Calendar year		
	1995	1996	1997
Total enrollees ¹	256,961	224,564	233,728
Dialysis patients ²	200,162	214,103	230,190
Outpatient	166,571	181,533	198,968
Home	33,591	32,570	31,222
Transplants performed ³	11,902	12,198	12,427
Living donor	2,992	3,084	3,210
Cadaveric donor	8,486	8,495	8,512
Living unrelated	424	619	705
Average dialysis payment rate			
Hospital-based facilities	\$130	\$130	\$130
Freestanding facilities	\$126	\$126	\$126

¹Medicare ESRD enrollees as of July 1.

²Includes Medicare and non-Medicare patients receiving dialysis as of December 31.

³Includes kidney transplants for Medicare and non-Medicare patients.

SOURCES: Health Care Financing Administration, Office of Clinical Standard and Quality: Data from the Program Management and Medical Information System.

Table 45
Medicaid/type of service

	Fiscal year 1997 Medicaid recipients In thousands
Total	33,579
Inpatient services	
General hospitals	4,746
Mental hospitals	87
Nursing facility services ¹	1,603
Intermediate care facility (MR) services ³	136
Physician services	21,170
Dental services	5,935
Other practitioner services	5,142
Outpatient hospital services	13,632
Clinic services	4,713
Laboratory and radiological services	11,074
Home health services	1,861
Prescribed drugs	20,954
Family planning services	2,091
Early and periodic screening	6,450
Rural health clinic services	1,446
Other care	12,389

Nursing facilities include: SNFs and all categories of ICF, other than "MR".
"MR" indicates mentally retarded.

SOURCE: Health Care Financing Administration, Center for Medicaid and State Operations: Data from the Data and Systems Group, Division of Information Analysis and Technical Assistance.

Table 46
Medicaid/units of service

	Fiscal year 1997 units of service ¹
	In thousands
General hospital ¹	
Total discharges	4,408
Recipients discharged	3,135
Total days of care	21,531
Nursing facility ²	
Total days of care	388,985
Intermediate care facility/mentally retarded ³	
Total days of care	62,423

¹Preliminary.

²Based on reporting States and the District of Columbia (Data are not reported for Hawaii, Nebraska, Tennessee and Puerto Rico).

³Based on reporting States and the District of Columbia (Data are not reported for New York, Nebraska, Puerto Rico, Virgin Islands, and Hawaii).

NOTE: Nursing facilities include: SNFs and all categories of ICF, other than MR.

SOURCE: Health Care Financing Administration, Center for Medicaid and State Operations: Data from the Data and Systems Group, Division of Information Analysis and Technical Assistance.

Administrative/Operating

**Information on activities and services
related to oversight of the day-to-day
operations of HCFA programs**

included are data on Medicare contractors, contractor activities and performance, HCFA and State agency administrative costs, quality control, and summaries of the operation of the Medicare trust funds.

Table 47
Medicare administrative expenses/trends

	Administrative expenses	
	Amount in millions	As a percent of benefit payments
HI Trust Fund		
1967	\$89	3.5
1970	149	3.1
1975	259	2.5
1980	497	2.1
1985	813	1.7
1990	774	1.2
1992	1,191	1.5
1994	1,235	1.2
1996	1,229	1.0
1997	1,613	1.2
SMI Trust Fund		
1967 ¹	135	20.3
1970	217	11.0
1975	405	10.8
1980	593	5.8
1985	922	4.2
1990	1,524	3.7
1992	1,661	3.4
1994	1,718	3.0
1996	1,771	2.6
1997	1,420	2.0

¹ Includes expenses paid in fiscal years 1966 and 1967.

NOTE: Fiscal year data.

SOURCE: Health Care Financing Administration, Office of Strategic Planning:
Data from the Division of Medicare and Medicaid Cost Estimates.

Table 48
Medicare/contractors

	Intermediaries	Carriers
Blue Cross/Blue Shield	36	20
Other	4	8

NOTE: Data as of January 1998.

SOURCE: Health Care Financing Administration, Office of Financial
Management: Data from the Division of Financial Operations.

Table 49
Medicare/appeals

	Intermediary reconsiderations	Carrier reviews
Number processed	59,689	3,337,592
Percent with increased payments ¹	30.0	70.3

Excludes withdrawals and dismissals.

NOTE: Data for fiscal year 1997.

SOURCE: Health Care Financing Administration, Office of Financial Management: Data from the Division of Financial Operations.

Table 50
Medicare/claims processing bottom line unit costs

	Unit cost per claim			
	1975	1980	1996	1997
Intermediaries ¹	\$3.84	\$2.96	\$1.89	\$1.20
Carriers ²	2.90	2.33	\$1.34	\$0.96

Includes direct costs and overhead costs for bill payment, reconsiderations, and hearings lines.

¹Includes direct costs and overhead costs for the claims payment, reviews and hearings, and beneficiary/physician inquiries lines.

NOTE: Fiscal year data.

SOURCE: Health Care Financing Administration, Office of Financial Management: Data from the Division of Financial Operations.

Table 51
Medicare/claims processing

	Intermediaries	Carriers
Claims processed in millions	150.0	692.7
Total PM costs in millions ¹	\$300.1	\$886.8
Total MIP costs in millions ¹	\$240.0	\$197.9
Claims processing costs in millions	\$206.4	\$557.3
Claims processing unit costs	\$1.11	\$ 0.68
Range		
High	\$1.71	¹ \$1.33
Low	\$0.90	\$0.63

In FY 1997 Kennedy-Kassenbaum split the Medicare Integrity Program (MIP) funding from the base Program Management (PM).

NOTE: Data for fiscal year 1997.

SOURCE: Health Care Financing Administration, Office of Financial Management: Data from the Division of Financial Operations.

Table 52
Medicare/claims received

	Claims received
Intermediary claims	
received in thousands	151,383
	Percent of total
Inpatient hospital	8.7
Outpatient hospital	42.3
Home health agency	13.7
Skilled nursing facility	2.5
Other	32.8
Carrier claims received in thousands	688,891
	Percent of total
Assigned	96.7
Unassigned	3.3

NOTE: Data for calendar year 1997.

SOURCE: Health Care Financing Administration, Office of Financial Management: Data from the Division of Financial Data Analysis.

Table 53
Medicare/charge reductions

	Assigned	Unassigned
Claims approved		
Number in millions	566.6	18.6
Percent reduced	187.4	184.4
Total covered charges		
Amount in millions	\$103,389	\$1,650
Percent reduced	45.8	16.4
Amount reduced per claim	\$83.71	\$14.57

¹Figure may be slightly overstated due to the possibility of a claim being counted more than once because more than one type of reduction is applied.

NOTES: Data for calendar year 1997. As a result of report changes effective April 1, 1992, charge reductions include: reasonable charge, medical necessity, and global fee/rebundling reductions.

SOURCE: Health Care Financing Administration, Office of Financial Management: Data from the Division of Financial Data Analysis.

Table 54
Medicaid/administration

	Fiscal year	
	1996	1997
	In thousands	
total payments computable for Federal funding ¹	\$6,727,268	\$5,662,873
Federal share of current expenditures:		
Family planning	13,811	15,922
Design, development or installation of MMIS ²	36,725	55,181
Skilled professional medical personnel	180,926	237,244
Operation of an approved MMIS ²	585,499	593,684
Other financial participation	2,853,004	2,199,330
Mechanized systems not approved under MMIS ²	49,694	65,298
total administration	3,719,659	3,166,659
net adjusted Federal share ³	3,613,911	3,166,659

Source: Form HCFA-64.10, Expenditures for State and Local Administration for the Medical Assistance Program (net expenditure reported). FY 1997 data are preliminary.

Medicaid Management Information System.

Includes Federal share of net expenditures reported plus HCFA adjustments.

Source: Health Care Financing Administration. Center for Medicaid and State Operations, Quality and Performance Management Group: Data from the Division of Financial Management,



Reference

**Selected reference material including
cost-sharing features of the Medicare
program, program financing, and
Medicaid Federal medical assistance
percentages**

Program financing

Medicare/source of income

Hospital Insurance trust fund:

1. Payroll taxes*
2. Transfers from railroad retirement account
3. General revenue for
 - a. uninsured persons
 - b. military wage credits
4. Premiums from voluntary enrollees
5. Interest on investments

*Contribution rate	<u>1996</u>	<u>1997</u> Percent	<u>1998</u>
Employees and employers, each	1.45	1.45	1.45
Self-employed	2.90	2.90	2.90

Maximum taxable amount (CY 1998) None¹

Voluntary HI Premium²

Monthly Premium (1998): \$309

Supplementary Medical Insurance trust fund:

1. Premiums paid by or on behalf of enrollees
2. General revenue
3. Interest on investments

Part B Premium

Monthly Basic Premium (1998): \$43.80

Medicaid/financing

1. Federal contributions (ranging from 50 to 77 percent for fiscal year 1998)
2. State contributions (ranging from 21 to 50 percent for fiscal year 1996)

¹The Omnibus Reconciliation Act of 1993 eliminated the Annual Maximum Taxable Earnings amounts for 1994 and later. For these years, the contribution rate is applied to all earnings in covered employment.

²Premium paid for voluntary participation of individuals aged 65 and over not otherwise entitled to hospital insurance and certain disabled individuals who have exhausted other entitlement. A reduced premium of \$170 is available to individuals aged 65 and over who are not otherwise entitled to hospital insurance but who have, or whose spouse has or had, at least 30 quarters of coverage under Title II of the Social Security Act.

SOURCE: Health Care Financing Administration, Office of Strategic Planning: Data from the Division of Medicare and Medicaid Cost Estimates.

Medicare deductible and coinsurance amounts

Part A (effective date)	Amount
Outpatient hospital deductible (1/1/98)	\$764/benefit period
Regular coinsurance days (1/1/98)	\$191/day for 61st thru 90th day
Lifetime reserve days (1/1/98)	\$382/day (60 nonrenewable days)
NF coinsurance days (1/1/98)	\$95.50/day after 20th day
Blood deductible	first 3 pints/benefit period
Voluntary hospital insurance premium (1/1/98)	\$309/month \$170/month if have at least 30 quarters of coverage.
Limitations:	
Outpatient psychiatric hospital days	190 nonrenewable days
Part B (effective date)	Amount
Deductible (1/1/91) ¹	\$100 in reasonable charges/year
Blood deductible	first 3 pints/calendar year
Coinsurance ¹	20 percent of allowed charges
Premium (1/1/98)	\$43.80/month
Limitations:	
Outpatient treatment for mental illness	No limitations
Licensed physical therapist's services in home or office (1/1/91)	\$600 (80% of maximum annual program payment of \$750)

The Part B deductible and coinsurance applies to most services. Items and/or services not subject to either the deductible or coinsurance are clinical diagnostic lab tests subject to a fee schedule, home health services, items and services furnished in connection to obtaining a second or third opinion, influenza vaccine and its administration, and pneumococcal vaccine and its administration. In addition, federally qualified health center services are not subject to the deductible but are subject to the coinsurance.

SOURCE: Health Care Financing Administration, Office of Strategic Planning: Data from the Division of Medicare and Medicaid Cost Estimates.

**Geographical jurisdictions of HCFA regional offices and
Federal medical assistance percentages (FMAP)
fiscal year 1999**

I.	Boston	FMAP	II.	New York	FMAP
	Connecticut	50		New Jersey	50
	Maine	66		New York	50
	Massachusetts	50		Puerto Rico	50
	New Hampshire	50		Virgin Islands	50
	Rhode Island	54		Canada	--
	Vermont	62			
			IV.	Atlanta	
III.	Philadelphia			Alabama	69
	Delaware	50		Florida	56
	Dist. of Columbia	70		Georgia	60
	Maryland	50		Kentucky	71
	Pennsylvania	54		Mississippi	77
	Virginia	52		North Carolina	63
	West Virginia	74		South Carolina	70
				Tennessee	63
V.	Chicago		VI.	Dallas	
	Illinois	50		Arkansas	73
	Indiana	61		Louisiana	70
	Michigan	53		New Mexico	73
	Minnesota	52		Oklahoma	71
	Ohio	58		Texas	62
	Wisconsin	59			
VII.	Kansas City		VIII.	Denver	
	Iowa	63		Colorado	51
	Kansas	60		Montana	72
	Missouri	60		North Dakota	70
	Nebraska	61		South Dakota	68
				Utah	72
IX.	San Francisco			Wyoming	64
	Arizona	66			
	California	52	X.	Seattle	
	Hawaii	50		Alaska	60
	Nevada	50		Idaho	70
	American Samoa	50		Oregon	61
	Guam	50		Washington	53
	N. Mariana Islands	50			

SOURCE: Health Care Financing Administration, Center for Medicaid and State Operations: Quality and Performance Management Group.

OVERVIEW

HCFA STRATEGIC PLAN

MISSION

"We assure health care security for beneficiaries."

VISION

"In the stewardship of our programs, we lead the Nation's health care system toward improved health for all."

GOALS

- Protect and improve beneficiary health and satisfaction.
- Promote the fiscal integrity of HCFA programs.
- Purchase the best value health care for beneficiaries.
- Promote beneficiary and public understanding of HCFA and its programs.
- Foster excellence in the design and administration of HCFA's programs.
- Provide leadership in the broader public interest to improve health.

OVERVIEW

HCFA STRATEGIC PLAN (cont.)

OBJECTIVES

Customer Service

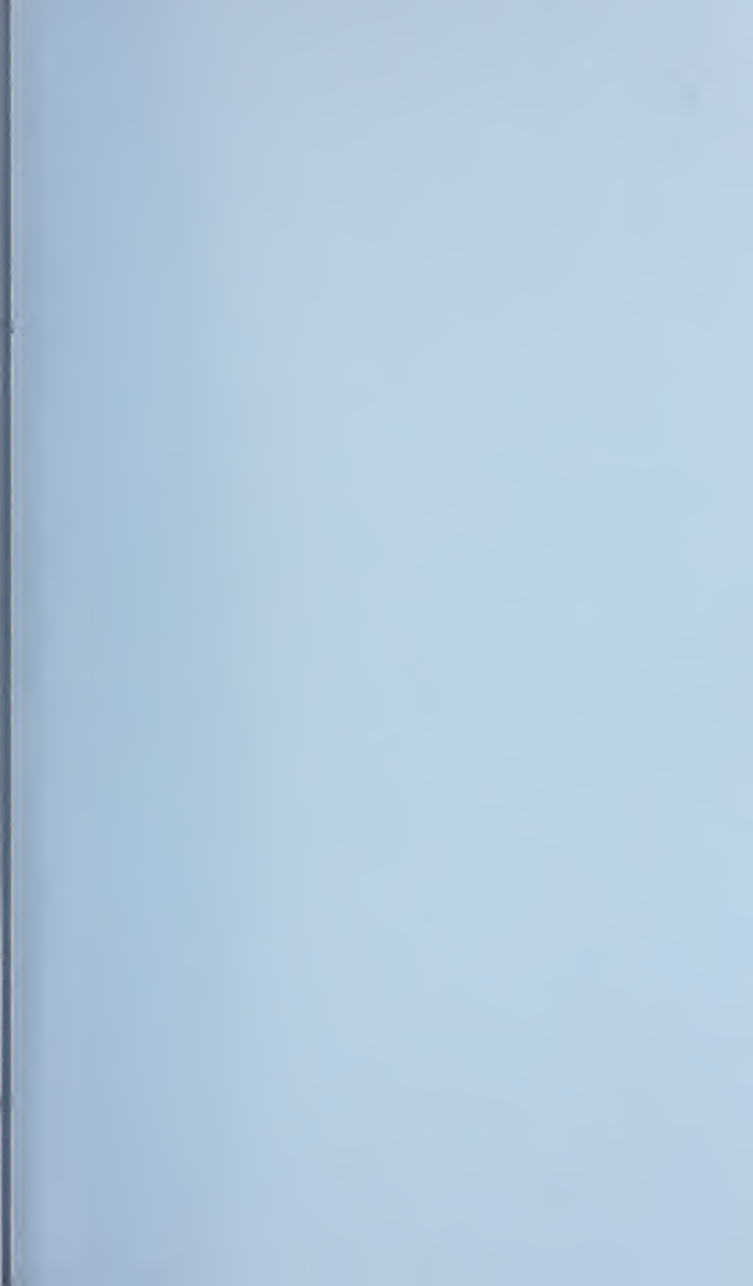
- Improve beneficiary satisfaction with programs, services and care.
- Enhance beneficiary program protections.
- Increase the usefulness of communications with beneficiaries.
- Increase the usefulness of communications with constituents, partners, and stakeholders.
- Ensure that programs and services respond to the health care needs of beneficiaries.

Quality of Care

- Improve health outcomes.
- Improve access to services for underserved and vulnerable beneficiary populations.
- Protect beneficiaries from substandard care.

Program Administration

- Build a high quality, customer-focused team.
- Enhance program safeguards.
- Maintain and improve HCFA's position as a prudent program administrator and an accountable steward of public funds.
- Increase public knowledge of the financing and delivery of health care.
- Improve HCFA's management of information systems/technology.



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Health Care Financing Administration
Office of Strategic Planning
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